

**STATE OF RHODE ISLAND
PUBLIC UTILITIES COMMISSION**

REVIEW OF THE COST ALLOCATION :
AND RECOVERY OF ONGOING OPERATION :
AND MAINTENANCE EXPENSES : **DOCKET NO. 5205**
RELATED TO THE INTERCONNECTION OF :
DISTRIBUTED GENERATION PROJECTS :
(NON-DECISIONAL STAFF REVIEW) :

COMMISSION STAFF’S FIRST SET OF DATA REQUESTS
DIRECTED TO NATIONAL GRID
(Issued December 6, 2021)

- 1-1. RIPUC No. 2243, Terms and Conditions for Distribution Service, Appendix A, Policy 3 – Line Extension and Construction Advance Policy for Commercial, Industrial and Existing Residential Customers can be found here: https://www.nationalgridus.com/media/pdfs/billing-payments/tariffs/ri/neco-tcs-policy-3_ripuc_2243.pdf. Are there any other such tariff provisions in Rhode Island that cover what may also be called “Contribution in Aid of Construction (CIAC)”? If so, please provide links.
- 1-2. Please provide any non-tariff documentation (or links thereto) provided to customers that explains Policy 3 and its calculation.
- 1-3. Please explain why the Company conducts a CIAC calculation for traditional load projects that allows a customer to pay less than the full cost of a necessary system modification/upgrade up front.
- 1-4. The calculation in RIPUC No. 2243 is Construction Advance (A) = [C - [D x M] ÷ K] where “K” is “the annual carrying charge expressed as a decimal.”
 - a. Please explain how K is derived.
 - b. Please explain what K covers.
 - c. Is K charged to the customer annually or simply included in the formula to derive the up-front Construction Advance (“A”)?
 - d. Please explain how “D” is calculated with an example. (For a single customer, the estimated annual Distribution Revenue derived from the Customer within the first year following the completion of the Company’s construction of facilities; or for developments, the estimated additional annual Distribution Revenue derived from those new customers in the development anticipated to be supplied directly with electric service within one year from the commencement of the delivery of electricity to the first customer in the development.)
- 1-5. RIPUC No. 2243 states, that this Policy applies where a Customer “requests that a distribution line and/or other facilities (“New Facilities”) necessary to properly supply

electricity to the Customer's facilities be installed. This policy applies only to the installation of electric service by The Narragansett Electric Company ("Company")."

- a. Is there ever a situation where a Customer subject to this Policy may require transmission level upgrades?
 - b. If the answer to 1-5.a. is yes, please explain how those upgrades are effectuated, including cost estimation, cost allocation, and payment details.
- 1-6. RIPUC No. 2244, Standards for Connecting Distributed Generation (DG Tariff) Table 2 Fee Schedules states, "Note 6. O & M is defined as the Company's operations and maintenance carrying charges on the incremental costs associated with serving the Interconnecting Customer." (Sheet 38).
- a. Is this O&M reference for ongoing O&M expenses or something else? Please explain in detail.
 - b. Please explain how the O&M included in the various costs assessed to customers (study costs, system modification costs, etc.) is calculated.
 - c. Does the Company charge an Interconnecting Customer ongoing annual O&M expense to dedicated distribution system modifications (such as a 23kV line from a project to a substation where the line serves no other customers)? If so, please explain.
- 1-7. Please explain/show how customers are made aware of O&M costs as described in PUC 1-6, whether or not they are ongoing in the following attachments to the Interconnection Service Agreement: Attachment 1: Description of Facilities, including demarcation of Point of Common Coupling Attachment 2: Description of System Modifications Attachment 3: Costs of System Modifications and Payment Terms.
- 1-8. Do all transmission level upgrades have ongoing O&M costs that are assessed to Narragansett Electric through FERC-approved transmission rates? If so, please identify each type and the Company's allocation of costs to customers through its retail rate filing. Please give an example of the type of upgrade, the ongoing O&M calculation related to that upgrade, which FERC Tariff applies to the recovery, and how Narragansett currently recovers those costs at the retail level.
- 1-9. Does the Interconnection Service Agreement (Attachments 1-3) match the final Impact Study (design, description, costs, operating requirements, etc.)? If not, please explain.